

FISCAL NOTE

SB 89 - HB 217

February 9, 2007

SUMMARY OF BILL: Increases the liability limits for bodily injury, death or destruction of property under the Governmental Tort Liability Act.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures – Exceeds \$15,000,000*


Assumptions:

- The state is not subject to the Governmental Tort Liability Act and there will be no impact on the State's Risk Management Fund.
- Self-insured governmental entities would be subject to paying higher judgments.
- Insured entities will pay higher premiums.
- By increasing the Governmental Tort Liability Act limits in such cases, local governments will see an increase in the amount and duration of litigation.
- Any increase in caseloads for the state trial courts and appellate courts can be absorbed within existing judicial resources.
- The Comptroller of the Treasury will not require any additional personnel or resources to post the annual adjustments on the State's website.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director